

# Finance Report for DCEO Steering Group

## Financial Year 2017/18, April 2017

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### Executive Summary

The financial year will be started using the agreed budget from DCMS, however changes have been agreed and will be reflected in May management accounts.

Fee income was previously agreed at an uplift of 4% (total £20.4m) from the previous year, however due to consistent recovery year on year including after GDPR was announced, fee income budget will be uplifted to 5% (total £20.6m), an increase of circa £200k.

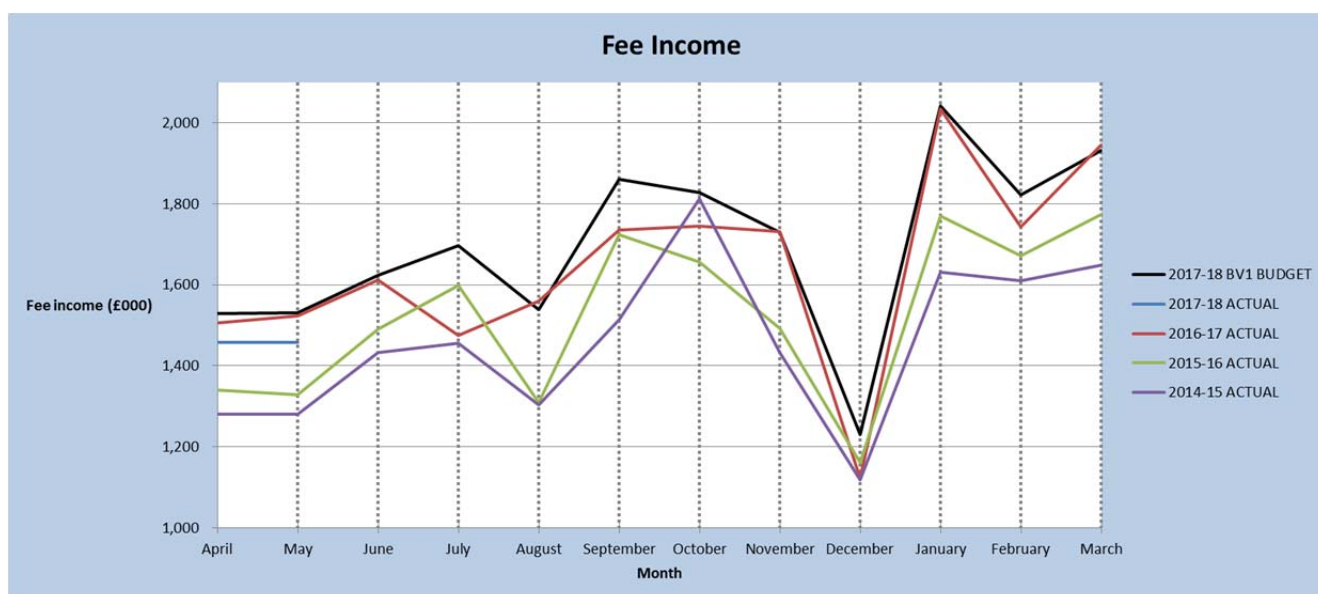
Our agreed funding of £1.4 million from DCMS will be received in nine equal tranches over the year starting June 2017. Repayment of this advance will begin in the following financial year 2018/19 out of DP income.

DRIPA income is collected quarterly. EIDAS funding secured last year of £40k is expected this year but remains to be confirmed. Once confirmation has been received we will reflect this amount in the income budget.

### Financial Overview as at 30 April

#### DP Income

Month	Budget	Actual	Variance	%
April	1,528	1,458	(70)	(5%)
May	1,531			
June	1,624			
July	1,698			
August	1,539			
September	1,861			
October	1,828			
November	1,730			
December	1,229			
January	2,041			
February	1,822			
March	1,932			
£ Year	20,363	1,458	(70)	(5%)



## Month End Financial Summary

### MANAGEMENT REPORT

For the One Month Ending 30 April 2017

	Year To Date			
	BV1 1718 £	Actual £	Variance £	Var % %
GRANT IN AID	312,500	312,500	0	0%
DP FEE INCOME	1,528,205	1,458,226	69,979	5%
DRIPA INCOME	0	0	0	0%
BANK INTEREST	0	-75	75	0%
<b>TOTAL INCOME</b>	<b>1,840,705</b>	<b>1,770,651</b>	<b>70,054</b>	<b>4%</b>
<b>TOTAL OFFICE COSTS</b>	<b>111,007</b>	<b>112,551</b>	<b>-1,544</b>	<b>-1%</b>
<b>TOTAL STAFF COSTS</b>	<b>1,421,941</b>	<b>1,431,621</b>	<b>-9,680</b>	<b>-1%</b>
<b>TOTAL TRAINING AND RECRUITMENT</b>	<b>37,139</b>	<b>39,557</b>	<b>-2,417</b>	<b>-1%</b>
<b>TOTAL IT COSTS</b>	<b>203,009</b>	<b>218,106</b>	<b>-15,097</b>	<b>-7%</b>
<b>TOTAL PROJECT SPEND</b>	<b>96,222</b>	<b>143,247</b>	<b>-47,025</b>	<b>-49%</b>
<b>TOTAL COMMUNICATIONS</b>	<b>27,866</b>	<b>15,191</b>	<b>12,675</b>	<b>45%</b>
<b>TOTAL FINANCIAL COSTS</b>	<b>4,409</b>	<b>2,798</b>	<b>1,611</b>	<b>37%</b>
<b>TOTAL TRAVEL</b>	<b>31,304</b>	<b>40,106</b>	<b>-8,802</b>	<b>-28%</b>
<b>TOTAL LEGAL, PROFESSIONAL &amp; OTHER</b>	<b>44,008</b>	<b>27,451</b>	<b>16,557</b>	<b>38%</b>
<b>TOTAL COSTS</b>	<b>1,976,905</b>	<b>2,030,628</b>	<b>-53,722</b>	<b>-3%</b>
<b>CAPITAL SPEND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>SURPLUS</b>	<b>-136,200</b>	<b>-259,977</b>	<b>123,776</b>	<b>-91%</b>

Based on the above summary, we have recovered within 5% of our initial DP budget – as mentioned above, this will be increased from May 2017 to reflect an updated estimate for the year.

The only expenditure lines that should fluctuate from budget would be those tied to a 'usage expenditure' such as IT usage, projects and legal spend. Any large fluctuations in budget will be flagged up and challenged monthly.

The surplus line above is used as a guide as to our final year end position and will fluctuate during the year based on income received and cumulative expenditure. We would expect the year end surplus to not exceed our agreed handback threshold of 3% turnover, currently £611k.

## **Grants & Contributions Scheme**

The grant scheme is progressing as planned and we expect the launch to be on 05 June with a 28 July deadline for applications. First payments will be made subject to due diligence work completed by the finance team to assess applicants financial credibility by 01 December 2017.

£125 has been allocated for this year's scheme, rising to £200k in 2018/19 with a view to allocate £1m over 5 years. If uptake is far higher than expected, there is scope to accelerate the £1m, however this will be reviewed alongside all other resources and fee income projections.

Due to restrictions on the way we budget, the grant income must be allocated in the annual budget each year, however if expenditure has not been given out as funding by the end of the year, the remaining amount will be reflected on the Statement of Financial Position as a payable and ringfenced for future year expenditure, there is no risk of losing unspent grant funding.

## **Civil Monetary Penalties (CMPs)**

Due to the large write off we made for unrecoverable CMPs in 2016/17, we are currently reviewing the way we set and chase penalties, exploring new and innovative ways of pursuing bad debts and how we monitor activity of directors and Limited companies avoiding penalties. This work is likely to continue into quarter 2 for this financial year.

Below is the summary of those debts we still consider recoverable from the previous year plus new panalties issued in April 2017.

Gross debts B/fwd from 2016-17	594,600
Debts written off	-
Issued penalties gross	233,000
Issued penalty increase post appeal	-
Issued prompt payment discount	(50,200)
<b>Net</b>	<b>777,400</b>
Receipts*	214,200
Balance	<b><u>563,200</u></b>

\*Of this sum, £214,200 is due to be paid to the consolidated fund in May 2017.

### **Spending controls**

The ICO is complying with the Cabinet Office Spending Controls Guidance v 4.0

<https://www.gov.uk/government/publications/cabinet-office-controls/cabinet-office-controls-guidance-version-40>

**Heather Dove**  
**April 2017**

## MANAGEMENT REPORT

For the One Month Ending 30 April 2017

	Year To Date				Full Year				Prior Year 2016/17
	BV1 1718 £	Actual £	Variance £	Var % %	BV1 1718 £	Forecast £	Variance £	Var % %	
GRANT IN AID	312,500	312,500	0	0%	3,791,000	3,791,000	0%	0%	3,790,000
DP FEE INCOME	1,528,205	1,458,226	69,979	5%	20,363,200	20,363,200	0%	0%	19,729,439
DRIPA INCOME	0	0	0	0%	330,000	330,000	0%	0%	330,000
BANK INTEREST	0	(75)	75	0%	0	0	0%	0%	75
<b>TOTAL INCOME</b>	<b>1,840,705</b>	<b>1,770,651</b>	<b>70,054</b>	<b>4%</b>	<b>24,484,200</b>	<b>24,484,200</b>	<b>0%</b>	<b>0%</b>	<b>23,849,514</b>
RENT	35,583	34,599	984	3%	427,000	427,000	0%	0%	646,378
RATES & BUILDING INSURANCE	19,666	19,011	655	3%	236,000	236,000	0%	0%	235,770
SERVICE CHARGES	4,583	5,637	(1,054)	-23%	55,000	55,000	0%	0%	33,624
CAR PARKING	600	600	0	0%	7,200	7,200	0%	0%	54,104
HEAT & LIGHT	14,127	15,917	(1,790)	-13%	107,000	107,000	0%	0%	102,670
WATER	1,387	1,300	87	6%	16,000	16,000	0%	0%	17,067
CLEANING	6,166	6,604	(438)	-7%	74,100	74,100	0%	0%	88,463
SECURITY	4,916	4,274	642	13%	59,000	59,000	0%	0%	52,462
WASTE	333	300	33	10%	4,000	4,000	0%	0%	5,797
REPAIRS & MAINTENANCE	7,000	12,067	(5,067)	-72%	75,500	75,500	0%	0%	49,277
KITCHEN	3,226	3,316	(90)	-3%	38,000	38,000	0%	0%	32,524
REMOVALS	0	379	(379)	0%	0	0	0%	0%	0
FURNITURE	2,500	(162)	2,662	106%	60,000	60,000	0%	0%	46,407
GENERAL EQUIPMENT	833	688	145	17%	10,000	10,000	0%	0%	8,191
STATIONERY	3,850	2,996	854	22%	45,400	45,400	0%	0%	46,178
POSTAGE	5,150	4,583	567	11%	61,000	61,000	0%	0%	55,840
DOCUMENT DESTRUCTION	834	442	392	47%	8,000	8,000	0%	0%	5,768
OTHER	253	0	253	100%	3,000	3,000	0%	0%	84,449
OFFICE COSTS CAPITALISED	0	0	0	0%	0	0	0%	0%	(41,529)
<b>TOTAL OFFICE COSTS</b>	<b>111,007</b>	<b>112,551</b>	<b>(1,544)</b>	<b>-1%</b>	<b>1,286,200</b>	<b>1,286,200</b>	<b>0%</b>	<b>0%</b>	<b>1,523,440</b>
SALARIES	1,080,405	1,054,064	26,341	2%	14,199,726	14,199,726	0%	0%	12,062,704
OVERTIME	15,811	17,212	(1,401)	-9%	148,000	148,000	0%	0%	110,106
PENSION	224,647	214,896	9,751	4%	2,953,948	2,953,948	0%	0%	2,461,912
NATIONAL INSURANCE	107,662	103,417	4,245	4%	1,418,141	1,418,141	0%	0%	1,150,172
AGENCY STAFF	0	41,437	(41,437)	0%	0	0	0%	0%	291,489
SALARIES INCOME	(8,469)	0	(8,469)	100%	(84,500)	(84,500)	0%	0%	(68,616)
PENSION INCOME	(1,704)	0	(1,704)	100%	(17,000)	(17,000)	0%	0%	(14,582)
NATIONAL INSURANCE INCOME	(852)	0	(852)	100%	(8,500)	(8,500)	0%	0%	(7,829)
NON EXEC BOARD MEMBER	4,441	595	3,846	87%	53,292	53,292	0%	0%	53,944
<b>TOTAL STAFF COSTS</b>	<b>1,421,941</b>	<b>1,431,621</b>	<b>(9,680)</b>	<b>-1%</b>	<b>18,663,107</b>	<b>18,663,107</b>	<b>0%</b>	<b>0%</b>	<b>16,039,300</b>

RECRUITMENT	9,167	18,459	(9,292)	-101%	110,000	110,000	0%	0%	166,022
RELOCATION EXPENSES	0	0	0	0%	0	0	0%	0%	40,075
HEALTH & SAFETY	2,972	5,254	(2,282)	-77%	45,000	45,000	0%	0%	46,860
FURTHER EDUCATION	500	116	385	77%	6,000	6,000	0%	0%	7,478
ALL STAFF SKILLS DEVELOPMENT	10,000	10,260	(260)	-3%	120,000	120,000	0%	0%	302,965
SEMINARS AND CONFERENCES	11,000	1,075	9,925	90%	132,000	132,000	0%	0%	0
MANAGEMENT DEVELOPMENT	1,500	1,078	422	28%	18,000	18,000	0%	0%	14,111
CSL E LEARNING	500	0	500	100%	6,000	6,000	0%	0%	0
CSL WORKSHOPS	500	0	500	100%	6,000	6,000	0%	0%	0
PROFESSIONAL QUALIFICATIONS	500	3,315	(2,815)	-563%	6,000	6,000	0%	0%	0
INFORMATION TECHNOLOGY	500	0	500	100%	6,000	6,000	0%	0%	0
<b>TOTAL TRAINING AND RECRUITMENT</b>	<b>37,139</b>	<b>39,557</b>	<b>(2,417)</b>	<b>-248%</b>	<b>455,000</b>	<b>455,000</b>	<b>0%</b>	<b>0%</b>	<b>577,511</b>
HOSTING, WEB AND TELEPHONY	59,694	61,964	(2,270)	-4%	716,322	716,322	0%	0%	704,277
APP & DESKTOP SUPPORT	56,667	94,029	(37,362)	-66%	680,003	680,003	0%	0%	679,870
SOFTWARE LICENSING	40,417	188	40,229	100%	485,000	485,000	0%	0%	379,419
SECURITY CONTRACT	4,167	0	4,167	100%	50,000	50,000	0%	0%	54,482
NOTIFICATION PRINTING	7,210	46	7,164	99%	190,000	190,000	0%	0%	222,494
MANAGED PRINT	3,542	3,253	289	8%	42,500	42,500	0%	0%	33,702
CARD PROCESSING CHARGES	6,604	11,000	(4,396)	-67%	88,000	88,000	0%	0%	103,982
HARDWARE MAINTENANCE	4,167	10,708	(6,541)	-157%	50,000	50,000	0%	0%	70,975
GOV SECURE INTERNET	8,333	0	8,333	100%	100,000	100,000	0%	0%	0
TELEPHONY CALLS & BROADBAND	12,208	36,918	(24,710)	-202%	146,500	146,500	0%	0%	256,534
<b>TOTAL IT COSTS</b>	<b>203,009</b>	<b>218,106</b>	<b>(15,097)</b>	<b>-7%</b>	<b>2,548,325</b>	<b>2,548,325</b>	<b>0%</b>	<b>0%</b>	<b>2,505,735</b>
RESOURCES	0	103,061	(103,061)	0%	0	0	0%	0%	0
SOFTWARE	0	793	(793)	0%	0	0	0%	0%	0
HARDWARE	0	16,456	(16,456)	0%	0	0	0%	0%	0
SUNDRY (OTHER)	0	889	(889)	0%	0	0	0%	0%	1,263,585
PROJECT COSTS TBA	96,222	22,048	74,174	77%	1,154,675	1,154,675	0%	0%	0
PROJECT WORK CAPITALISED	0	0	0	0%	(650,000)	(650,000)	0%	0%	(575,085)
<b>TOTAL PROJECT SPEND</b>	<b>96,222</b>	<b>143,247</b>	<b>(47,025)</b>	<b>-49%</b>	<b>504,675</b>	<b>504,675</b>	<b>0%</b>	<b>0%</b>	<b>688,500</b>
CAMPAIGNS, MEDIA RELATIONS & PR	2,600	2,254	346	13%	31,200	31,200	0%	0%	24,665
MEDIA MONITORING	6,600	4,114	2,486	38%	79,200	79,200	0%	0%	135,625
DESIGN & PRINT	4,583	821	3,762	82%	55,000	55,000	0%	0%	40,922
DISTRIBUTION	3,333	1,318	2,015	60%	40,000	40,000	0%	0%	25,774
SURVEYS	5,500	0	5,500	100%	66,000	66,000	0%	0%	26,779
CONFERENCES GENERAL	0	4,149	(4,149)	0%	104,000	104,000	0%	0%	269,310
CONFERENCE INCOME	0	0	0	0%	(50,000)	(50,000)	0%	0%	(48,686)
ICON DEVELOPMENT	1,250	0	1,250	100%	15,000	15,000	0%	0%	0
STAFF EVENTS	3,083	772	2,311	75%	37,000	37,000	0%	0%	19,578
WEB MAINTENANCE	917	1,763	(846)	-92%	11,000	11,000	0%	0%	13,493
<b>TOTAL COMMUNICATIONS</b>	<b>27,866</b>	<b>15,191</b>	<b>12,675</b>	<b>45%</b>	<b>388,400</b>	<b>388,400</b>	<b>0%</b>	<b>0%</b>	<b>507,460</b>
BANK CHARGES	0	90	(90)	0%	37,500	37,500	0%	0%	47,624
EXTERNAL AUDIT	2,750	2,708	42	2%	33,000	33,000	0%	0%	32,500

INTERNAL AUDIT	1,659	0	1,659	100%	37,000	37,000	0%	0%	69,431
CORPORATION TAX	0	0	0	0%	0	0	0%	0%	17
BAD DEBT WRITE OFF	0	0	0	0%	0	0	0%	0%	3,562
<b>TOTAL FINANCIAL COSTS</b>	<b>4,409</b>	<b>2,798</b>	<b>1,611</b>	<b>37%</b>	<b>107,500</b>	<b>107,500</b>	<b>0%</b>	<b>0%</b>	<b>153,134</b>
CAR HIRE	792	137	655	83%	9,500	9,500	0%	0%	5,251
TRAVEL HOSTING	0	0	0	0%	0	0	0%	0%	226
TRAVEL UK	23,516	32,300	(8,784)	-37%	383,500	383,500	0%	0%	445,577
TRAVEL OVERSEAS	8,700	8,111	589	7%	139,700	139,700	0%	0%	97,136
TRAVEL INCOME - UK	(702)	0	(702)	100%	(7,000)	(7,000)	0%	0%	(6,526)
TRAVEL INCOME - OVERSEAS	(1,002)	(442)	(560)	56%	(10,000)	(10,000)	0%	0%	(15,328)
<b>TOTAL TRAVEL</b>	<b>31,304</b>	<b>40,106</b>	<b>(8,802)</b>	<b>-28%</b>	<b>515,700</b>	<b>515,700</b>	<b>0%</b>	<b>0%</b>	<b>526,336</b>
LEGAL	14,105	8,044	6,061	43%	562,000	562,000	0%	0%	349,017
LEGAL COSTS RECOVERED	(2,506)	0	(2,506)	100%	(25,000)	(25,000)	0%	0%	(27,109)
LIBRARY & SUBSCRIPTIONS	8,750	4,624	4,126	47%	82,000	82,000	0%	0%	54,354
PROFESSIONAL MEMBERSHIPS	0	457	(457)	0%	13,250	13,250	0%	0%	10,714
RESEARCH	2,280	0	2,280	100%	90,000	90,000	0%	0%	35,634
RESEARCH GRANTS FUND	4,070	0	4,070	100%	125,000	125,000	0%	0%	0
PROFESSIONAL SERVICES	6,569	17,968	(11,399)	-174%	95,500	95,500	0%	0%	163,404
STAFF RECOGNITION	10,740	(3,642)	14,382	134%	10,740	10,740	0%	0%	9,452
<b>TOTAL LEGAL, PROFESSIONAL &amp; OTHER</b>	<b>44,008</b>	<b>27,451</b>	<b>16,557</b>	<b>38%</b>	<b>953,490</b>	<b>953,490</b>	<b>0%</b>	<b>0%</b>	<b>595,466</b>
<b>TOTAL COSTS</b>	<b>1,976,905</b>	<b>2,030,628</b>	<b>(53,722)</b>	<b>-3%</b>	<b>25,422,397</b>	<b>25,422,397</b>	<b>0%</b>	<b>0%</b>	<b>23,116,882</b>
<b>CAPITAL SPEND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>650,000</b>	<b>650,000</b>	<b>0%</b>	<b>0%</b>	<b>616,614</b>
<b>SURPLUS</b>	<b>(136,200)</b>	<b>(259,977)</b>	<b>123,776</b>	<b>-91%</b>	<b>(938,197)</b>	<b>(938,197)</b>	<b>0%</b>	<b>0%</b>	<b>732,632</b>